

**MARICOPA COUNTY**  
**DEPARTMENTAL QUARTERLY REPORT**

**Third Quarter Report, FY 1999-2000**  
**Materials Management, Wes Baysinger**

**Materials Management**

Goals	Accomplishments/Comments
<p><b>1. Focus on employees to reduce turnover and enhance skills.</b></p> <ul style="list-style-type: none"> <li>• Job satisfaction</li> <li>• Training</li> <li>• Appropriate Pay</li> <li>• Communications</li> <li>• Trust &amp; Respect</li> </ul>	<ul style="list-style-type: none"> <li>• The Board of Supervisors has approved salary adjustments for the Procurement Specialist and Contract Specialist job classifications within Materials Management. These adjustments were approved as part of Materials Management's FY 2000 budget. It is anticipated that these adjustments will reduce the turnover rate within these job classifications to a more normal level.</li> <li>• All Procurement Specialists will attend a two-day training session being sponsored by the local chapter of the National Institute of Governmental Purchasing to be held on October 13<sup>th</sup> and 14<sup>th</sup>.</li> <li>• Research and Reporting will administer the Countywide employee satisfaction survey in February to Materials Management employees in February.</li> <li>• The final phase of Materials Management's salary adjustments will be included as a budget issue in the FY 2000-01 budget. This adjustment will focus on bringing the Materials Management System Specialist position into parity with other technology positions in the County. This issue will be culmination of a two-year effort to assure that positions within Materials Management are within the established market ranges.</li> <li>• Materials Management received the results of the employee satisfaction survey conducted in February. Research and Reporting presented the results to departmental employees and answered questions regarding the survey. Overall, the level of employee satisfaction is lower than the previous survey. The overall satisfaction score for the 97-98 survey was 5.45 and the score for 99-00 was 5.24. The results will be reviewed and corrective action plans will be developed and implemented where appropriate.</li> <li>• Performance appraisals on all employees have been completed and salary advancement requests have been forwarded to Human Resources for processing.</li> </ul>
<p><b>2. Expand the use of cost effective automation in Materials Management activities. The objective of this effort is too:</b></p> <ul style="list-style-type: none"> <li>• Increase the ability of user departments to order goods and services on-line in a manner that allows automated tracking of activity and expenditures.</li> <li>• Implement on-line vendor registration.</li> <li>• Implement the issuance and receipt of solicitations electronically.</li> <li>• Continue to develop and enhance internal departmental applications to reduce procurement turnaround time and permit performance tracking.</li> <li>• Reduce procurement transaction costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Materials Management, in conjunction with the Office of the CIO and Department of Finance, is analyzing the potential of implementing an Internet resident vendor registration application. The objective of this effort is to reduce the cost of vendor registration and maintenance activities. This application will allow vendors to access the application via the Internet where they can input their specific information. This information would go through a quality control step and then be uploaded directly to the vendor file resident in the County's central financial system. Plans are being made to visit Orange County and San Diego County to look at Internet vendor registration systems they have implemented.</li> <li>• In conjunction with Bank of America, the County's procurement card provider, an upgrade to the software used to track transaction activity and upload data to the central financial system has been completed. This upgrade will fix problems and add functions that were identified in the last version of the software. With this new upgraded software the County changed its payment cycle for p-card activity from 30 days to 14 days. This will increase the rebates Bank of America is contractually bound to provide the County. A portion of the anticipated rebates were programmed into Materials Management's FY 2000 budget to support the p-card function.</li> <li>• At the request of the Chairman of the Board of Supervisors, a site visit was made to the corporate headquarters of PurchasePro.com, an electronic commerce provider, in Las Vegas. PurchasePro.com has entered into an agreement with the Greater Phoenix Chamber of Commerce to market their electronic commerce services in the Phoenix metropolitan area. PurchasePro.com is one of several potential providers of business-to-business electronic commerce services that the County may consider implementing. PurchasePro.com is one of the proposers that responded to a solicitation issued by ASU for electronic commerce services. Materials Management is a non-voting member of the ASU team evaluating the responses to their solicitation. At the conclusion of the PurchasePro.com site visit it was agreed that a full product demonstration would be arranged with County representatives in the near future. The County has the option of waiting until ASU awards a contract and contracting with this vendor through and existing IGA, or the County retains the option of issuing a separate</li> </ul>

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<ul style="list-style-type: none"> <li>• <b>Increase the ability to audit procurement and p-card activity to assure compliance with statutes and policies.</b></li> </ul>	<p>solicitation for these services.</p> <ul style="list-style-type: none"> <li>• ASU has placed their solicitation for an electronic commerce system on hold pending the selection of an enterprise resources package. After the selection of the enterprise resources package a decision will be made whether or not to proceed with the evaluation of the electronic commerce solicitations.</li> <li>• A budget issue was prepared and submitted to OMB in November requesting funding to acquire and implement an electronic procurement/commerce system. OMB has assigned an analyst to review this request and provide a written recommendation. Employees of Materials Management and the CIO have had several discussions with the OMB analyst to provide clarification and supporting documentation.</li> <li>• In conjunction with the Office of the CIO, work has begun on preparing the scope of work to acquire the services of a consultant to analyze the benefits of implementing a electronic commerce system. The results of this analysis will be used to make the final decision on whether to proceed with the selection and implementation of this application. Materials Management has received preliminary budget recommendations indicating that funding for the acquisition and implementation of an electronic commerce system will be placed in the County contingency fund and made available once a decision is made to proceed. It is anticipated that the consultant will be ready to begin work approximately July 1, 2000 with findings to be delivered to the County by September 1, 2000.</li> <li>• Additional copies of SmartData software are being made available to departments to run reports and more effectively manage their transactions. Likewise, SmartData is being used in conjunction with p-card logs and supporting documents to increase oversight and compliance.</li> </ul>
<p><b>3. Analyze opportunities and expand use of purchasing card to increase operational flexibility and reduce transaction costs.</b></p>	<ul style="list-style-type: none"> <li>• A meeting was held with the County's major contractors to discuss acceptance of the procurement card as the primary payment method. Approximately 200 contractors were invited to attend this meeting hosted by Materials Management and Bank of America. In addition to discussing acceptance of the procurement card, contractors were asked to consider providing the County a prompt payment discount on p-card purchases since they receive sale proceeds within 72 hours of a transaction.</li> <li>• Solicitation and contract terms and conditions have been changed to include provisions for use of the procurement card in standard County procurement transactions. P-card transactions are estimated to total approximately \$6 million this fiscal year and are anticipated to reach \$20 million in the next two years.</li> <li>• A new p-card monitor has been hired. All positions dedicated to p-card activities are now filled. The addition of this individual will increase the level of monitoring activity that can be conducted and help to assure that this payment mechanism is being used in strict accordance with County policies.</li> <li>• A meeting was held with p-card holders to celebrate the success of the program. James Foley of Facilities Management, Kevin Kottmer of MCDOT, and Victoria Prins of Finance made presentations on how they are utilizing the p-card to reduce workload and increase efficiency.</li> <li>• Facilities Management has requested authority to utilize the p-card for payment of utility bills. This would significantly reduce the level of effort currently required to process payment on the large number of invoices received. The decision has been made to move forward with this request. It is estimated that this will increase annual p-card volumes by \$4-\$6 million dollars.</li> <li>• All contract extensions identify the p-card as our preferred method of payment. In addition, vendors are being called to discuss the merits of the p-card program and migration of current contract to the p-card where it is not part of an existing contract.</li> <li>• Public Health, Constables and Correctional Health initiated non-travel related p-card activities this reporting period for approximately 15 cardholders. Y2K technology limitations restricted additional departmental rollouts in this quarter. P-card roll out will continue with the remaining departments through June.</li> <li>• Existing fuel card agreements have been reviewed and terminated to consolidate all</li> </ul>

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	<p>requirements into the p-card program. The Library District, Constables and Human Services have benefited from this effort.</p> <ul style="list-style-type: none"> <li>The implementation of the Ghost Card program for the Office Depot office supplies contract has helped improve online ordering efficiencies and resulted in monthly order dollar volume increasing from less than \$37,000 per month to more than \$100,000.</li> </ul>
<b>4. Assume delegated responsibility for small dollar Article 5 procurement activities.</b>	<ul style="list-style-type: none"> <li>Work has not started on this objective.</li> <li>A budget issue was submitted as part of Materials Management's FY2001 budget request to transfer responsibility for Article 5 oversight from Public Works to Materials Management.</li> </ul>
<b>5. Implement performance measures that document value of department activities to citizens and benchmark these against other comparable local and national governmental entities.</b>	<ul style="list-style-type: none"> <li>Materials Management has identified performance measures that are utilized nationally to benchmark the performance of procurement functions. Using these measures, a survey was sent to local and national governmental jurisdictions to gather data for benchmarking. In addition, Materials Management participated in a similar survey issued by Prince George's County in Maryland. We have received the results of these surveys and are analyzing this information. The next quarterly report will include the results of these surveys.</li> </ul>
<b>6. Actively support compliance with environmental requirement through the use of flextime, telecommuting, carpooling and other alternative transportation methods where appropriate.</b>	<ul style="list-style-type: none"> <li>The Department of Materials Management encourages the use of alternative transportation methods and offers employees compressed work schedules. Implementation of the revised teleworking policy is being considered.</li> </ul>
<b>7. Improve customer service and responsiveness to user departments needs.</b> <ul style="list-style-type: none"> <li><b>Increase efficiency of procurement processes by eliminating non-value added activities that add time and cost.</b></li> <li><b>Increase user department training to increase awareness and assure compliance with procurement policies and procedures.</b></li> <li><b>Delegate user departments increased authority to order against established contracts.</b></li> <li><b>Work with user departments to</b></li> </ul>	<ul style="list-style-type: none"> <li>On October 1, 1999 the Procurement Division within Materials Management was reorganized. The objective of this reorganization is to bring all procurement activities under one supervisor and allocate supervisory and administrative resources to the procurement card program consummate with its increased transaction activity. Additional organizational changes within each of these two areas will be finalized in the next 30 to 45 days.</li> <li>A new administrative support supervisor was hired and started work on September 27, 1999. This person's responsibilities include reviewing the current support organizational structure to increase the effectiveness and efficiency of support personnel, eliminating non-value added work processes, and developing desk procedures that reflect these changes. In addition, this individual will assist the Procurement Manager to revise and update desk procedures for Procurement Specialists.</li> <li>Materials Management is offering training to customer departments that allow them to input requirements against established contracts directly into the American Management System (AMS). This will reduce the number of paper requisitions that are currently processed by Materials Management and will reduce the amount of time required to produce a contract purchase order. In addition, allowing ordering departments to input their requirements directly into the AMS reduces data input errors and eliminates a non-value added step of producing paper requisition documents. The current emphasis is on training and providing system access to high volume departments. The goal is to have 80% of all user departments using this capability by the end of the fiscal year.</li> <li>Consolidation of the CAPA and p-card policies is almost complete. The focus of this effort is to develop a single policy document that outlines the relationship between CAPA procurement requirements and p-card payment activities. The goal is to reduce confusion and increase the overall levels of compliance. Plans are to require all CAPA and p-card holders to attend refresher training classes using this revised policy.</li> </ul>

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<p><b>understand needs and integrate procurement activities into their planning processes.</b></p> <ul style="list-style-type: none"> <li><b>Investigate new and expanded services to meet user department needs.</b></li> </ul>	<ul style="list-style-type: none"> <li>The Procurement Division of Materials Management held a focus group meeting with major customer departments on March 23<sup>rd</sup> to discuss policy and process changes that they feel would be of significant benefits. The major issues identified at this meeting are increasing the nominal value dollar limit from \$500.00 to \$1,000.00, increasing the CAPA single transaction dollar limit from \$1,000.00 to \$2,500.00, eliminating the p-card transaction log and using SmartData in its place, increasing the single contract transaction limit from \$3,000.00 to \$5,000.00 or \$10,000.00, improving the search capabilities of Materials Management's WEB site, and loading non-County contract available through IGA agreements into AMS to facilitate the issuance of blanket orders.</li> <li>In preparation for the arrival of the consultant to analyze the benefits of implementing an electronic commerce system, the Office of the CIO will facilitate focus group meetings with Materials Management Procurement customers to identify processes and potential areas of improvement. The results of these meetings will be provided to the electronic commerce consultant for inclusion into their final recommendations. In addition, Materials Management will utilize the results to identify customer improvement opportunities.</li> <li>Departments are being provided with a copy of spreadsheet showing their year-to- date purchases utilizing Purchase Orders. The objective is to identify department specific purchases that can be more effectively processed via the P-card rather than Purchase Orders. The goal is to provide this information to all departments in time to affect change where practicable prior to issuing new fiscal year Purchase Orders for the same requirements.</li> <li>P-card policy and procedure training was provided at five separate sessions for approximately 115 individuals during this reporting period. Smartdata classroom training was provided on four occasions for 15 individuals, plus nine individuals attended a question and answer session.</li> </ul>
<p><b>8. Effectively utilize allocated budget resources to carry out responsibilities in the most economical manner.</b></p>	<ul style="list-style-type: none"> <li>Materials Management's budget is actively monitored and expenditures are scrutinized to assure the effective use of resources.</li> </ul>
<p><b>9. Explore cooperative procurement agreement opportunities with other jurisdictions in taking advantage of volume pricing, and expanded sources.</b></p>	<ul style="list-style-type: none"> <li>Materials Management is actively participating in a cooperative purchasing effort with local jurisdictions, school districts, ASU, and the State. It is anticipated that by combining the needs of these entities, more favorable prices and terms may be available from our suppliers. Final arrangements are being made identifying commonly used commodities and services, and to determine lead agencies for procurement activities.</li> <li>Maricopa County is analyzing the possibility of entering into an IGA with the Western States Contracting Alliance. This group is composed of the states of Alaska, Hawaii, Idaho, Montana, Minnesota, Oregon, Washington, Utah, South Dakota, Wisconsin, Wyoming, New Mexico, Colorado, Nevada, California and Arizona. A contract for microcomputer hardware and software was recently awarded on behalf of this group which may provide the County with lower prices and the ability to increase system standardization. A decision will be made in October whether to participate in this contract.</li> <li>The Board of Supervisors approved the cooperative procurement agreement with the Western States Contracting Alliance in November. This agreement provides Maricopa County the ability to purchase equipment and services directly from IBM, Compaq, Dell, CompUSA and Gateway. These contractors will develop Internet sites that allow orders to be placed on-line. A pilot project has already been initiated with Dell in this area. The ability to deal directly with these equipment manufacturers will further reduce the prices the County pays for its technology needs.</li> </ul>
<p><b>10. Identify and implement revenue opportunities</b></p>	<ul style="list-style-type: none"> <li>A proposal to implement a vendor registration fee program is being prepared. Once this proposal is completed, it will be presented for consideration and adoption. The</li> </ul>

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<p><b>such as implementing a vendor registration fee.</b></p>	<p>benefits of a fee based registration program are that the number of non-participating vendors will be significantly reduced, and fees collected can be utilized to offset the cost of vendor registration and maintenance, and to enhance the services offered.</p> <ul style="list-style-type: none"> <li>• This goal has been placed on hold pending a decision on whether to implement an electronic commerce system. The reason for this decision is that some electronic commerce solutions charge vendors a fee to participate that reduces or eliminates any system costs the County would incur. Requiring vendors to pay a vendor registration fee to the County and possibly an electronic commerce provider would be unfair and possibly result in reducing competition on County solicitations.</li> </ul>
<p><b>11. Fully support the goals and objectives of the County Administrative Officer and the Chief Financial Officer</b></p>	<ul style="list-style-type: none"> <li>• Materials Management worked closely with the Deputy County Administrator to expedite the solicitation and award of a contract for a private management firm to assume operational responsibility of the Department of Medical Eligibility. These efforts allowed the new contractor, Quorum, to assume control by the scheduled date of October 1, 1999.</li> <li>• In conjunction with the Deputy County Administrator, OMB and CIO, Materials Management expedited the process for soliciting and selecting a new County budgeting application. An expedited process was required to allow sufficient time for the new system to be installed and training to occur.</li> </ul>
<p><b>12. Other activities and accomplishments:</b></p> <ul style="list-style-type: none"> <li>• Monopoles</li> <li>• M/WBE Program Review</li> <li>• 2020 Visioning Committees</li> <li>• Deferred Compensation Plan</li> <li>• Strategic Planning</li> <li>• Y2K Activities</li> <li>• Records Management Consultant</li> <li>• ATM Equipment</li> <li>• Government Performance Project</li> <li>• P-Card Administrators Group</li> <li>• AMS Version 2.1 Implementation Testing</li> <li>• Procurement Desk Procedures</li> <li>• M/WBE Outreach</li> <li>• On-line Printing/Copying Requests</li> <li>• Installation of New Copying Equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Maricopa County has entered into two agreements for the siting of monopolies with Crown Castle International. These agreements allow Crown to construct and operate monopoly sites at Parks and Recreation facilities located at 40<sup>th</sup> Street and Union Hills and Lake Pleasant Regional Park. Other companies have expressed interest in County locations to site monopoly facilities. Agreements will be negotiated as appropriate sites are identified.</li> <li>• Materials Management has participated in the review and update of the County's Minority and Women Business policy being facilitated by Chief Public Works Officer Tom Buick. It is anticipated that the revised policy will be presented to the Board of Supervisors for consideration in the near future.</li> <li>• I participated as a member of the 2020 Visioning Technology Committee. This committee focused on the role that technology should play in the future operations of Maricopa County. In addition I participated as an ad hoc member of the Radical Change committee looking at the issues of increasing the acceptance of credit and debit cards by County departments for payments from users, travel, and the siting of automated teller machines in County facilities.</li> <li>• I served as an evaluation committee member to review and make award recommendations to the Deferred Compensation Committee on the proposals received for implementing a new deferred compensation plan. The Deferred Compensation Committee approved the evaluation committee's selection and a recommendation for award is being forwarded to the Board of Supervisors for consideration.</li> <li>• Materials Management is in the final stages or completely revising its strategic plan. This process will be completed by the end of January 2000.</li> <li>• No problems attributable to Y2K have been identified with the County's supply chain. All contractors appear to be operating normally and are able to supply the County's needs for supplies and services in accordance with their established contracts.</li> <li>• Materials Management in conjunction with OMB entered into a contract with a records management consultant to analyze the County current and future records management needs. The consultant is responsible for identifying all records currently in possession of County departments and making recommendations on the best method of storing and providing records management needs in the future. This consultant will also make recommendations on the proposed Clerk of the Superior Courts records storage facility planned as part of the new parking structure currently being designed. The consultant's final report is due to the County by April 14, 2000.</li> <li>• The Maricopa County Employees Federal Credit Union has been selected as the financial entity to install ATM equipment in County facilities. The first ATM will be</li> </ul>

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installed in MCDOT and the current BankOne ATM will be removed from the Administration Building and replaced with a Credit Union device. Other County facilities will be reviewed for their potential to support ATM's. The Credit Union has agreed to reduce the transaction fee from the current \$1.50 rate to \$1.00. In addition, they will share any revenue over 1,000 transactions a month at the rate of \$.25 per transaction as long as at least 50% of all transactions accessing non-Credit Union accounts. The ATM equipment to be provided by the Credit Union will also provide stamps and County designed coupons.

- Representatives of Materials Management participated in the government performance project-planning meeting hosted by OMB.
- Material Management participates in a recurring Purchasing Card Administrators Discussion Group meeting and will present an abbreviated version of our Celebrating P-card Success program during the April 25 meeting at the City of Scottsdale. We are investigating hosting the Summer meeting of the group, which is comprised of 15 –20 attendees representing various schools, cities and counties.
- Materials Management is currently conducting tests on AMS Advantage 2.1 in conjunction with Finance and ATC. It is anticipated that the current version of AMS will be updated to 2.1 within the next three weeks.
- The Procurement Division has rewritten its desk procedures and has placed them on a shared server drive for staff review. Process improvement teams were utilized to review existing processes and develop these new procedures.
- The Procurement Division has represented the County at four Small, Minority and Woman Owned Business events. They included the 2<sup>nd</sup> Annual "Mastering the Purchasing Maze" event at Luke Air Force Base, Business Expo 2000, City of Phoenix Procurement Workshop and Grand Canyon Minority Supplier Development Council Awards Dinner.
- Graphic Communications has implemented an electronic ordering process pilot application. The Sheriff's Warehouse and Superior Court Administration were invited to participate in the testing of this application. A Graphic Services Stub Requisition has been placed on the Intranet, enabling these customers to order re-occurring, standing forms using the Intranet and the e-mail system.
- Graphic Communications is in the process of procuring and installing updated copier equipment. During this quarter two 75 copy per minute, black and white digital copiers were purchased. These machines will be connected to the County Network that will move Graphic Communications one step closer to being able to directly process customer requests utilizing the Intranet and e-mail systems. These machines will also be capable of tandem operation, resulting in a combined output of 150 copies per minute. In addition, Graphic Communications will acquire a small full color copier. This machine will be able to produce full-color copies on a limited basis. The color copier is intended as a model to determine if it would be cost effective for Graphic Communications to install production color equipment.